

adidas

**FINANCIAL  
SUPPLEMENT**

JANUARY - MARCH 2022

# FINANCIAL SUPPLEMENT

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONDENSED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ADIDAS AG CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) € IN MILLIONS

	March 31, 2022	March 31, 2021	Change in %	Dec. 31, 2021
<b>Assets</b>				
Cash and cash equivalents	3,050	3,923	(22)	3,828
Accounts receivable	2,819	2,418	17	2,175
Other current financial assets	1,137	742	53	745
Inventories	4,542	3,938	15	4,009
Income tax receivables	104	79	31	91
Other current assets	1,376	1,067	29	1,062
Assets classified as held for sale	-	1,679	n.a.	2,033
<b>Total current assets</b>	<b>13,028</b>	<b>13,846</b>	<b>(6)</b>	<b>13,944</b>
Property, plant and equipment	2,245	2,100	7	2,256
Right-of-use assets	2,668	2,376	12	2,569
Goodwill	1,240	1,206	3	1,228
Trademarks	16	16	(0)	16
Other intangible assets	350	247	41	336
Long-term financial assets	279	279	0	290
Other non-current financial assets	394	346	14	160
Deferred tax assets	1,102	1,179	(7)	1,263
Other non-current assets	88	101	(14)	74
<b>Total non-current assets</b>	<b>8,383</b>	<b>7,851</b>	<b>7</b>	<b>8,193</b>
<b>Total assets</b>	<b>21,412</b>	<b>21,697</b>	<b>(1)</b>	<b>22,137</b>

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## ADIDAS AG CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) € IN MILLIONS

	March 31, 2022	March 31, 2021	Change in %	Dec. 31, 2021
<b>Liabilities and equity</b>				
Short-term borrowings	39	704	(95)	29
Accounts payable	2,717	2,059	32	2,294
Current lease liabilities	589	556	6	573
Other current financial liabilities	597	360	66	363
Income taxes	598	654	(9)	536
Other current provisions	1,411	1,475	(4)	1,458
Current accrued liabilities	2,505	2,135	17	2,684
Other current liabilities	568	415	37	434
Liabilities classified as held for sale	–	655	n.a.	594
<b>Total current liabilities</b>	<b>9,024</b>	<b>9,014</b>	<b>0</b>	<b>8,965</b>
Long-term borrowings	2,462	2,476	(1)	2,466
Non-current lease liabilities	2,340	2,076	13	2,263
Other non-current financial liabilities	33	78	(58)	51
Pensions and similar obligations	206	236	(13)	267
Deferred tax liabilities	259	154	68	122
Other non-current provisions	104	112	(7)	149
Non-current accrued liabilities	7	6	26	8
Other non-current liabilities	8	19	(60)	9
<b>Total non-current liabilities</b>	<b>5,419</b>	<b>5,158</b>	<b>5</b>	<b>5,334</b>
Share capital	186	195	(5)	192
Reserves	(67)	(207)	68	69
Retained earnings	6,500	7,293	(11)	7,259
<b>Shareholders' equity</b>	<b>6,619</b>	<b>7,281</b>	<b>(9)</b>	<b>7,519</b>
Non-controlling interests	350	244	43	318
<b>Total equity</b>	<b>6,969</b>	<b>7,525</b>	<b>(7)</b>	<b>7,837</b>
<b>Total liabilities and equity</b>	<b>21,412</b>	<b>21,697</b>	<b>(1)</b>	<b>22,137</b>

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# CONDENSED CONSOLIDATED INCOME STATEMENT

## ADIDAS AG CONDENSED CONSOLIDATED INCOME STATEMENT (IFRS) € IN MILLIONS

	First quarter 2022	First quarter 2021	Change
Net sales	5,302	5,268	0.6%
Cost of sales	2,654	2,538	4.6%
<b>Gross profit</b>	<b>2,648</b>	<b>2,730</b>	<b>(3.0%)</b>
(% of net sales)	49.9%	51.8%	(1.9pp)
Royalty and commission income	23	14	68.1%
Other operating income	23	7	214.8%
Other operating expenses	2,258	2,047	10.3%
(% of net sales)	42.6%	38.9%	3.7pp
Marketing and point-of-sale expenses	641	541	18.5%
(% of net sales)	12.1%	10.3%	1.8pp
Operating overhead expenses <sup>1</sup>	1,617	1,506	7.4%
(% of net sales)	30.5%	28.6%	1.9pp
<b>Operating profit</b>	<b>437</b>	<b>704</b>	<b>(38.0%)</b>
(% of net sales)	8.2%	13.4%	(5.1pp)
Financial income	8	3	222.1%
Financial expenses	34	38	(11.6%)
Income before taxes	411	669	(38.5%)
(% of net sales)	7.8%	12.7%	(4.9pp)
Income taxes	101	166	(39.5%)
(% of income before taxes)	24.5%	24.9%	(0.4pp)
Net income from continuing operations	310	502	(38.2%)
(% of net sales)	5.9%	9.5%	(3.7pp)
Gain from discontinued operations, net of tax	180	52	245.8%
<b>Net income</b>	<b>490</b>	<b>554</b>	<b>(11.5%)</b>
(% of net sales)	9.2%	10.5%	(1.3pp)
<b>Net income attributable to shareholders</b>	<b>482</b>	<b>558</b>	<b>(13.6%)</b>
(% of net sales)	9.1%	10.6%	(1.5pp)
<b>Net income attributable to non-controlling interests</b>	<b>8</b>	<b>(4)</b>	<b>n.a.</b>
Basic earnings per share from continuing operations (in €)	1.60	2.60	(38.3%)
Diluted earnings per share from continuing operations (in €)	1.60	2.60	(38.3%)
Basic earnings per share from continuing and discontinued operations (in €)	2.55	2.86	(10.7%)
Diluted earnings per share from continuing and discontinued operations (in €)	2.55	2.86	(10.7%)

<sup>1</sup> Aggregated distribution and selling expenses, general and administration expenses, sundry expenses and impairment losses (net) on accounts receivable and contract assets.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONDENSED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ADIDAS AG CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS) € IN MILLIONS

	First quarter 2022	First quarter 2021
<b>Net income after taxes</b>	<b>490</b>	<b>554</b>
<b>Items of other comprehensive income that will not be reclassified subsequently to profit or loss</b>		
Remeasurements of defined benefit plans (IAS 19), net of tax <sup>1</sup>	57	36
Net loss on other equity investments (IFRS 9), net of tax	-	(4)
<b>Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss</b>	<b>57</b>	<b>32</b>
<b>Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met</b>		
Net gain on cash flow hedges and net foreign investment hedges, net of tax	9	107
Net gain/(loss) on cost of hedging reserve – options, net of tax	6	(3)
Net (loss)/gain on cost of hedging reserve – forward contracts, net of tax	(4)	5
Reclassification of foreign currency translation differences due to sale of a disposal group	(228)	-
Currency translation differences	76	137
<b>Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met</b>	<b>(141)</b>	<b>246</b>
<b>Other comprehensive income</b>	<b>(84)</b>	<b>278</b>
<b>Total comprehensive income</b>	<b>406</b>	<b>832</b>
Attributable to shareholders of adidas AG	391	825
Attributable to non-controlling interests	15	7

<sup>1</sup> Includes actuarial gains or losses relating to defined benefit obligations, return on plan assets (excluding interest income) and the asset ceiling effect.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONDENSED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ADIDAS AG CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) € IN MILLIONS

	Share capital	Capital reserve	Cumulative currency translation differences	Hedging reserve	Cost of hedging reserve – options	Cost of hedging reserve – forward contracts	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
<b>Balance at December 31, 2020</b>	<b>195</b>	<b>887</b>	<b>(850)</b>	<b>(250)</b>	<b>(3)</b>	<b>(23)</b>	<b>(235)</b>	<b>6,733</b>	<b>6,454</b>	<b>237</b>	<b>6,691</b>
Other comprehensive income			127	106	(3)	5	32	–	267	11	278
Net income			–	–	–	–	–	558	558	(4)	554
<b>Total comprehensive income</b>			<b>127</b>	<b>106</b>	<b>(3)</b>	<b>5</b>	<b>32</b>	<b>558</b>	<b>825</b>	<b>7</b>	<b>832</b>
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)							(8)	(8)	–	(8)
Reissuance of treasury shares due to equity-settled share-based payment	0							11	11	–	11
Equity-settled share-based payment								(2)	(2)	–	(2)
<b>Balance at March 31, 2021</b>	<b>195</b>	<b>887</b>	<b>(723)</b>	<b>(144)</b>	<b>(5)</b>	<b>(18)</b>	<b>(203)</b>	<b>7,293</b>	<b>7,281</b>	<b>244</b>	<b>7,525</b>
<b>Balance at December 31, 2021</b>	<b>192</b>	<b>895</b>	<b>(542)</b>	<b>(64)</b>	<b>(8)</b>	<b>(12)</b>	<b>(200)</b>	<b>7,259</b>	<b>7,519</b>	<b>318</b>	<b>7,837</b>
Other comprehensive income			(159)	9	6	(3)	57	–	(91)	7	(84)
Net income					–	–	–	482	482	8	490
<b>Total comprehensive income</b>			<b>(159)</b>	<b>9</b>	<b>6</b>	<b>(3)</b>	<b>57</b>	<b>482</b>	<b>391</b>	<b>15</b>	<b>406</b>
Repurchase of adidas AG shares	(5)			–	–	–	–	(1,243)	(1,248)	–	(1,248)
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)			–	–	–	–	(3)	(3)	–	(3)
Reissuance of treasury shares due to equity-settled share-based payment	0			–	–	–	–	7	7	–	7
Acquisition of shares from non-controlling interests shareholders in accordance with IAS 32			4				(48)		(44)	17	(27)
Equity-settled share-based payment				–	–	–	–	(3)	(3)	–	(3)
<b>Balance at March 31, 2022</b>	<b>186</b>	<b>895</b>	<b>(697)</b>	<b>(56)</b>	<b>(3)</b>	<b>(16)</b>	<b>(191)</b>	<b>6,500</b>	<b>6,619</b>	<b>350</b>	<b>6,969</b>

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# CONSOLIDATED STATEMENT OF CASH FLOWS

ADIDAS AG CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS) € IN MILLIONS

	First quarter 2022	First quarter 2021
<b>Operating activities:</b>		
Income before taxes from continuing operations	411	669
<b>Adjustments for:</b>		
Depreciation, amortization and impairment losses	367	278
Reversals of impairment losses	(2)	(3)
Interest income	(3)	(3)
Interest expense	31	36
Unrealized foreign exchange gains, net	(34)	(2)
Losses on sale of property, plant and equipment and intangible assets, net	2	0
Other non-cash effects from operating activities	(45)	(3)
<b>Operating profit before working capital changes</b>	<b>727</b>	<b>973</b>
Increase in receivables and other assets	(992)	(662)
(Increase)/Decrease in inventories	(452)	124
Increase/(Decrease) in accounts payable and other liabilities	407	(287)
<b>Net cash (used in)/generated from operations before taxes</b>	<b>(311)</b>	<b>147</b>
Income taxes paid	(67)	(35)
<b>Net cash (used in)/generated from operating activities – continuing operations</b>	<b>(378)</b>	<b>112</b>
Net cash (used in)/generated from operating activities – discontinued operations	(60)	0
<b>Net cash (used in)/generated from operating activities</b>	<b>(437)</b>	<b>112</b>
<b>Investing activities:</b>		
Purchase of trademarks and other intangible assets	(38)	(15)
Purchase of property, plant and equipment	(82)	(54)
Proceeds from sale of property, plant and equipment	1	6
Proceeds from sale of a disposal group from prior years	12	0
Proceeds from disposal of discontinued operations	1,165	8
Proceeds from investments and other long-term assets	14	56
Interest received	3	3
<b>Net cash generated from investing activities – continuing operations</b>	<b>1,077</b>	<b>4</b>
Net cash used in investing activities – discontinued operations	(1)	(2)
<b>Net cash generated from investing activities</b>	<b>1,076</b>	<b>2</b>
<b>Financing activities:</b>		
Interest paid	(27)	(29)
Repayments of lease liabilities	(168)	(174)
Acquisition of non-controlling interests	(27)	-
Repurchase of adidas AG shares	(1,248)	-
Repurchase of adidas AG shares due to share-based payments	(4)	(8)
Proceeds from reissuance of treasury shares due to share-based payments	3	7
Proceeds from short-term borrowings	5	11
<b>Net cash used in financing activities – continuing operations</b>	<b>(1,465)</b>	<b>(194)</b>



<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
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**ADIDAS AG CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS) € IN MILLIONS**


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	First quarter 2022	First quarter 2021
Net cash used in financing activities – discontinued operations	[7]	[10]
<b>Net cash used in from financing activities</b>	<b>(1,471)</b>	<b>(204)</b>
<b>Effect of exchange rates on cash</b>	<b>54</b>	<b>19</b>
Decrease in cash and cash equivalents	[778]	[71]
Cash and cash equivalents at beginning of year	3,828	3,994
<b>Cash and cash equivalents at end of period</b>	<b>3,050</b>	<b>3,923</b>